SaskTel's Sask911 Annual Report

(fiscal year April 1, 2001 – March 31, 2002)

The Emergency 911 System Act was proclaimed in 1996 and provided the legislative authority for development and implementation of Enhanced 9-1-1 (E911) call-taking service province-wide. The Sask911 system utilizes SaskTel's Provincial E911 Service infrastructure, and customer billing systems for 9-1-1 call routing and billing. Once completed, the Sask911 system will ensure that, wherever telephone land lines exist in the province and by dialing 9-1-1, people will be able to access a trained emergency 9-1-1 call-taking operator who has electronic access to automatic number, name and location information.

Planning and implementation of the Sask911 System continued in 2001-2002 in collaboration with the four Sask911 Public Safety Answering Points (PSAPs), municipalities, health districts, local emergency service providers, and the Departments of Municipal Affairs and Housing, Corrections and Public Safety, and Health.

Attached is SaskTel's financial statement showing the revenues of and expenditures from the Sask911 account for the fiscal year from April 1, 2001 to March 31, 2002.

SaskTel's Goals to move Sask911 forward

- along with the department of Corrections and Public Safety, continue to facilitate the Sask911 process with the other stakeholders;
- continue to administrate the Sask911 Account;
- continue to resolve customer billing issues to accommodate Sask911 fees on the phone bill;
- continue to expand SaskTel's Provincial E911 Service coverage into the unserved areas;

SaskTel's Accomplishments

During 2001-2002:

- along with MAH, co-chaired the Sask911 Advisory Committee Meetings, helped facilitate Sask911 Implementation meetings, and provided input and advice to the province for the Sask911 initiative;

- migrated an additional 46 RMs, including Estevan, Weyburn and the urban municipalities within the RMs onto SaskTel's Provincial 911 Service infrastucture in April 2001, and implemented Sask911 fees for this area in June 2001 ;

- migrated an additional 168 rural and urban municipalities, including North Battleford and Melfort onto SaskTel's Provincial 911 Service infrastucture in January 2002, and implemented Sask911 fees for this area in March 2002 ;

- initiated discussions with the City of Saskatoon for implementation of the expansion to their Sask911 coverage area surrounding Saskatoon, including West Central Saskatchewan.

SaskTel's Future Direction

In 2002, 2003, 2004:

- along with the department of Corrections and Public Safety, continue to facilitate the Sask911 process with the other stakeholders;

- continue to implement the expansion of SaskTel's Provincial E911 service in collaboration with the PSAPs to areas of the province that do not have access to E9-1-1 service.

- continue to commit the resources for the ongoing support and maintenance of SaskTel's Provincial E911 service infrastructure.

Financial Statements of

SASK911 ACCOUNT

for the year ended March 31, 2002

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
Royal Bank Building
2010 - 11th Avenue
Suite 900
Regina Saskatchewan
Canada S4P 0J3
Telephone +1 (306) 790 7900
Facsimile +1 (306) 790 7990

April 23, 2002

Auditors' Report

**To the Members of the Legislative Assembly,
Province of Saskatchewan**

We have audited the statement of financial position of the Sask911 Account as at March 31, 2002 and the statement of operations and net assets and cash flows for the year then ended. The account's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the account as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization

Sask911 Account

Statement of Operations and Net Assets
For the year ended March 31

	2002	2001
Revenues		
Net Sask911 Account fees (Note 4)	$ 1,692,560	$ 1,479,288
Interest income	20,317	26,950
	1,712,877	1,506,238
Expenses		
Public safety answering points	1,026,795	891,300
Central co-ordination	150,842	102,271
Start-up communications	517,934	294,182
Standards and Training	60,000	-
	1,755,571	1,287,753
(Deficiency) excess of revenues over expenses	(42,694)	218,485
NET ASSETS, BEGINNING OF YEAR	683,382	464,897
NET ASSETS, END OF YEAR	$ 640,688	$ 683,382

See accompanying notes.

Sask911 Account

Statement of Financial Position
As at March 31

	2002	2001
ASSETS		
Current Assets		
Cash (Note 5)	$ 640,024	$ 680,453
Interest receivable	664	2,929
	$ 640,688	$ 683,382
NET ASSETS	$ 640,688	$ 683,382
	$ 640,688	$ 683,382

See accompanying notes.

On behalf of SaskTel

Officer

Officer

Sask911 Account

Statement of Cash Flows
For the year ended March 31

	2002	2001
Cash provided by (used in):		
Operating activities		
(Deficiency) excess of revenue over expenses	$ (42,694)	$ 218,485
Changes in non-cash working capital:		
Interest receivable	2,265	(1,488)
Receivable from Saskatchewan Telecommunications	-	5,388
Net (decrease) increase in cash	(40,429)	222,385
CASH BEGINNING OF YEAR	680,453	458,068
CASH END OF YEAR	$ 640,024	$ 680,453

See accompanying notes.

SASK911 ACCOUNT
Notes to Financial Statements
March 31, 2002

1. STATUS OF THE SASK911 ACCOUNT

The Emergency 911 System Act (Chapter E – 7.3 of the Statutes of Saskatchewan) ("the Act") provides for the development, implementation and operation of an Emergency 911 system in the Province, known as The Sask911 System.

Section 45.1 of *The Saskatchewan Telecommunications Act* ("the SaskTel Act") established the Sask911 Account ("the Account"). Effective January 1, 1999 *The Sask911 Fees Regulations* (Chapter S - 34 Reg 3 as amended by Saskatchewan Regulations 39/1999), requires all telecommunication operators providing local telephone services in certain municipalities in Saskatchewan to bill their connected customers prescribed Sask911 fees and to remit these fees to Saskatchewan Telecommunications ("SaskTel") for deposit into the Account. SaskTel manages the Account.

Section 7 of the Act provides that the Minister responsible may direct SaskTel to make payments out of the Account for the purposes of implementing the Act or exercising any of the Minister's powers.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using generally accepted accounting principles.

Use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods.

3. SCOPE OF FINANCIAL STATEMENTS

In addition to its role in collecting the Sask911 fees referred to in Note 1, pursuant to 9(1)(d.1) of the SaskTel Act, SaskTel is entitled to recover its cost of installing and maintaining the equipment and facilities required to place emergency 911 calls in the Province of Saskatchewan. Fees charged by SaskTel in respect of its telecommunications cost are not reflected in these financial statements but rather as revenue in the financial statements of SaskTel.

SASK911 ACCOUNT
Notes to Financial Statements
March 31, 2002

4. SASK911 FEES

A portion of the Sask911 fee is retained by SaskTel to cover its cost of billing and account management. The Sask911 fees were deposited into the Account as follows:

Sask911 fees billed	2002	2001
Residential	$ 1,519,088	$ 1,323,415
Business/Centrex	208,555	185,014
Multiline/PBX	303,083	267,391
	2,030,726	1,775,820
LESS: SaskTel billing and account management fee	338,166	296,532
	$ 1,692,560	$ 1,479,288

5. DESIGNATED ASSETS

The Account contains designated assets to be used for the following funding purposes, under the direction of the Minister:

Designated assets	2002	2001
Public safety answering points	$270,593	$241,705
Central coordination	73,862	80,212
Start-up communications	211,889	277,605
Standards and training	30,981	50,814
	$587,325	$650,336

Cash includes interest of $52,699 (2001 - $30,117) received by the Sask911 Account, which is not included in the amounts designated above.

Payments to the public safety answering points are made after each quarter-end. The remainder of the designated assets will be disbursed subsequent to March 31, 2002 as directed by the Minister of Corrections and Public Safety.

SASK911 ACCOUNT
2001/02 PAYEES

Listed are payees who received $20,000 or more for the provision of goods and services, including office supplies, communications, contracts and equipment

Payees	Amount
City of Prince Albert	467,641.47
City of Regina	452,537.06
City of Saskatoon	485,259.88
City of Swift Current	31,356.57
Ed Staniowski	105,984.42
Prairie Advertising	42,082.38
Robert Kocalka	44,857.68
Saskatchewan Telecommunications	28,000.00
Wawryk Associates Ltd.	71,318.52
Payees under $20,000	26,532.75
TOTAL PAYMENTS	$1,755,570.73

Listed are individuals who received payments for salaries, benefits,honorariums, etc. which total $2,500 or more

None

SASK911 ACCOUNT
Notes to Financial Statements
March 31, 2002

6. RELATED PARTY TRANSACTIONS

These financial statements include transactions with Saskatchewan Telecommunications, and is considered a related party by virtue of common control by the Government of Saskatchewan.

SaskTel provides Sask911 with billing and account management services, which are settled at prevailing market prices under normal trade terms. Start-up communications includes $28,000 paid to SaskTel. Other amounts paid during the year for this service are detailed in note 4.

In addition, Sask911 pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.